



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN No. 1485 (1951)

October 21, 1986

SUBJECT: Rescheduling and Reamortization of
Partially Set-Aside Notes

TO: All State Directors, State Directors-at-Large,
District Directors and County Supervisors, FmHA

PURPOSE/INTENDED OUTCOME

The purpose of this AN is to address rescheduling and reamortization of notes which have been partially set-aside. The Finance Office is not now able to process servicing actions upon the non set-aside portion of partially set-aside notes. However, they will be implementing changes to their accounting system to permit rescheduling and reamortization. Until these changes are complete, the following may be done.

COMPARISON WITH PREVIOUS AN

No previous AN has been issued.

IMPLEMENTATION RESPONSIBILITIES

The non set-aside portion of notes which have been partially set-aside may be rescheduled and reamortized in accordance with FmHA Instruction 1951-A, Sections 1951.33 and 1951.40. Forms FmHA 1940-17, 1965-22, and 1965-23 will be used. The Finance Office copy of Forms FmHA 1965-22 and 1965-23 should be marked in red ink at the top of the forms, "PARTIALLY SET-ASIDE." A copy of the original Form FmHA 1951-6 will also be sent to the Finance Office with these forms. Remember, the new note will be replacing the note previously partially set-aside and the principal amount to be entered on the new Form FmHA 1940-17 will also include the amount of principal set aside and all accrued interest. Scheduled payments will be calculated as explained in Exhibit D of FmHA Instruction 1951-A.

State Offices will hold all the forms until the Finance Office notifies them that the accounting system changes have been made. County Offices will need to manually calculate how much of each payment will be applied to principal and to interest and monitor the status of these accounts until the forms are sent to and processed by the Finance Office. This status report will be used to determine which borrowers will be sent Form FmHA 1924-25, "Notice of Intent to Take Adverse Action," with attachments in accordance with FmHA Instruction 1924-B, Section 1924.71.

EXPIRATION DATE: September 30, 1987

FILING INSTRUCTION: Preceding
FmHA Instruction 1951-A

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A copy of the attached addendum must be signed by the borrower and attached to the borrower's original "Agreement for Special Set-Aside of a Portion of a Farmer Program Loan," for each rescheduling or reamortization.

A handwritten signature in cursive script, appearing to read "Vance L. Clark", with a long, sweeping flourish extending to the right.

VANCE L. CLARK
Administrator

Attachment

1485(1951)

FmHA AN No. 1485 (1951)
Attachment 1

Addendum to "Agreement for Special Set-Aside of a Portion of
a Farmer Program Loan"

The note dated _____, 19____, and referred to in the "Agreement
for Special Set-Aside of a Portion of a Farmer Program Loan," (Agreement)
has been rescheduled/reamortized as of today, _____, 19____.

The repayment of the set-aside portion of the note will continue to be
postponed for a period of five years from the effective date of the
Agreement and the set-aside will not be revised, extended or changed in
any way by the rescheduling/reamortization or by this addendum. The
non set-aside portion of the note signed today will accrue interest at a
rate of ____percent.

This addendum does not change any of the terms or conditions of the
Agreement signed _____, 19____.

Date Signed

Borrower

Borrower

Entity

Approved by

Title

Date Signed

County Supervisor
Farmers Home Administration

Original: Borrower File
Copy: Borrower